MONTANA LEGISLATIVE HISTORY

Chapter 549 19 95

Bill H 15 S _____ Original bill & history ✓C

H. Committee on Appropriations			S. Committee on Finance & Claims		
Hearing Date(s)	3-15	✓C	Hearing Date(s)	3-27	✓C
		C			C
		C			C
Free Conf	4-12	✓C			C
Date Out		C			C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

1/24	SIGNED BY PRESIDENT		
1/26	TRANSMITTED TO GOVERNOR		
1/27	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 13		
	EFFECTIVE DATE: 01/27/95		

HB 15 INTRODUCED BY BERGSAGEL

AUTHORIZE CREATION OF STATE DEBT THROUGH ISSUANCE OF GENERAL OBLIGATION BONDS

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

12/19	INTRODUCED		
1/02	FIRST READING		
1/02	REFERRED TO APPROPRIATIONS		
1/04	FISCAL NOTE REQUESTED		
1/13	FISCAL NOTE PRINTED		
2/13	HEARING		
2/14	HEARING		
2/14	HEARING		
2/15	HEARING		
2/15	HEARING		
2/16	HEARING		
2/16	HEARING		
3/15	HEARING		
3/17	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/17	REVISED FISCAL NOTE REQUESTED		
3/17	REVISED FISCAL NOTE RECEIVED		
3/17	REVISED FISCAL NOTE PRINTED		
3/20	2ND READING PASSED AS AMENDED	85	6
3/21	3RD READING PASSED	87	8
	TRANSMITTED TO SENATE		
3/22	FIRST READING		
3/22	REFERRED TO FINANCE & CLAIMS		
3/27	HEARING		
3/28	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/06	2ND READING CONCURRED AS AMENDED	47	3
4/07	3RD READING CONCURRED	47	3
	RETURNED TO HOUSE WITH AMENDMENTS		
4/10	2ND READING AMENDMENTS NOT CONCURRED	74	25
4/11	FREE CONFERENCE COMMITTEE APPOINTED		
4/12	HEARING		
4/12	FREE CONFERENCE COMMITTEE REPORT NO. 1		
4/13	MOTION FAILED TO ADOPT FREE CONFERENCE COMMITTEE REPORT NO. 1 ON 2ND READING	43	57
4/13	2ND READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	57	43
4/13	3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 REJECTED (MOTION REQUIRED 2/3 VOTE TO PASS)	66	33
4/13	RECONSIDERED PREVIOUS ACTION		
4/13	3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	67	33
	SENATE		
4/11	FREE CONFERENCE COMMITTEE APPOINTED		
4/12	FREE CONFERENCE COMMITTEE REPORT NO. 1		
4/13	2ND READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	33	17
4/13	3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	41	9
4/14	SIGNED BY SPEAKER		

No minutes found

4/18	SIGNED BY PRESIDENT		
4/18	TRANSMITTED TO GOVERNOR		
4/26	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 549		
	EFFECTIVE DATE: 04/26/95		

HB 16 INTRODUCED BY WYATT, ET AL.

APPROPRIATE MONEY TO DEPARTMENT OF JUSTICE FOR FISCAL YEAR ENDING JUNE 30, 1995

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

12/19	INTRODUCED		
1/02	FIRST READING		
1/02	REFERRED TO APPROPRIATIONS		
1/12	HEARING		
1/23	COMMITTEE REPORT—BILL PASSED AS AMENDED		
1/24	2ND READING PASSED	87	13
1/25	3RD READING PASSED	84	15
	TRANSMITTED TO SENATE		
1/26	FIRST READING		
1/26	REFERRED TO FINANCE & CLAIMS		
2/01	HEARING		
2/02	COMMITTEE REPORT—BILL CONCURRED		
2/03	2ND READING CONCURRED	47	0
2/04	3RD READING CONCURRED	35	10
	RETURNED TO HOUSE		
2/07	SIGNED BY SPEAKER		
2/07	SIGNED BY PRESIDENT		
2/08	TRANSMITTED TO GOVERNOR		
2/09	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 44		
	EFFECTIVE DATE: 02/09/95		

HB 17 INTRODUCED BY WISEMAN

PROVIDE PAY ADJUSTMENTS FOR STATE EMPLOYEES IN THE STATEWIDE, TEACHERS', LIQUOR STORE OCCUPATIONS, AND BLUE-COLLAR PAY PLANS AND FOR JUDGES AND ELECTED STATE OFFICIALS

BY REQUEST OF THE GOVERNOR

12/28	INTRODUCED		
1/02	FIRST READING		
1/02	REFERRED TO APPROPRIATIONS		
1/30	HEARING		
3/16	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/16	FISCAL NOTE RECEIVED		
3/17	FISCAL NOTE PRINTED		
3/18	2ND READING PASSED AS AMENDED	68	31
3/20	3RD READING PASSED	68	31
	TRANSMITTED TO SENATE		
3/21	FIRST READING		
3/21	REFERRED TO FINANCE & CLAIMS		
3/22	HEARING		
4/05	COMMITTEE REPORT—BILL CONCURRED		
4/06	2ND READING CONCURRED	39	11
4/07	3RD READING CONCURRED	40	10
	RETURNED TO HOUSE		
4/10	SIGNED BY SPEAKER		
4/11	SIGNED BY PRESIDENT		

HOUSE BILL NO. 15

INTRODUCED BY BERGSAGEL

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 1997; PROVIDING FOR MATTERS RELATING TO THE APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Definitions.** For the purposes of [sections 1 through 6], unless otherwise stated, the following definitions apply:

(1) "Capital project" means the acquisition of land or improvements or the planning, capital construction, renovation, furnishing, or major repair projects authorized in [sections 1 through 6].

(2) "CPF" means the capital projects fund.

(3) "Other funding sources" means money other than CPF money, including special revenue fund money, that accrues to an agency under the provisions of the law.

NEW SECTION. **Section 2. Appropriation of bond proceeds and other funds.** The following money is appropriated from the CPF and other funding sources to the department of administration for the capital projects described in this section, contingent upon the respective authorization of general obligation long-range building program bonds by the 54th legislature and the sale of the bonds by the board of examiners:

Agency/Project	CPF	Other Appropriated Funds
DEPARTMENT OF ADMINISTRATION		
Capitol Restoration,		
Capitol Complex	$17,911,000	
DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES		

Montana State Prison Expansion		4,300,000
Regional Correctional Facilities		9,000,000
Montana State Hospital,		
Redesign/Construction		18,000,000
DEPARTMENT OF JUSTICE		
Law Enforcement Complex,		
Helena		7,000,000
MONTANA UNIVERSITY SYSTEM		
Central Heating Plant,		
Phase II, MSU - Bozeman		3,000,000
Chemistry Building Renovation		
UM - Montana Tech		4,536,000
Underground Utilities Expansion		
MSU - Bozeman		6,000,000
Pharmacy Addition/Renovation,		
UM - Missoula		2,000,000

NEW SECTION. **Section 3. Authorization of bonds.** The board of examiners is authorized to issue and sell general obligation long-range building program bonds in an amount not exceeding $71,747,000 for the projects described in [section 2] over and above the amount of general obligation long-range building program bonds outstanding on January 1, 1995, to be issued in accordance with the terms and in the manner required by Title 17, chapter 5, part 8. The authority granted to the board by this section is in addition to any other authorization to the board to issue and sell general obligation long-range building program bonds.

NEW SECTION. **Section 4. Planning and design.** The department of administration may proceed with the planning and design of capital projects prior to the receipt of other funding sources. The department may use interaccount loans in accordance with 17-2-107 to pay planning and design costs incurred prior to the receipt of other funding sources.

NEW SECTION. Section 5. **Capital projects -- contingent funds.** If a capital project is financed in whole or

in part with appropriations contingent upon the receipt of other funding sources, the department of administration may not let the projects for bid until the agency has submitted a financial plan for approval by the director of the department of administration. A financial plan may not be approved by the director if:

(1) the level of funding provided under the financial plan deviates substantially from the funding level provided in [section 2] for that project; or

(2) the scope of the project is substantially altered or revised from the preliminary plans presented for that project in the 1996-97 long-range building program presented to the 54th legislature.

NEW SECTION. **Section 6. Legislative consent.** The appropriations authorized in [section 2] constitute legislative consent for the capital projects contained in [section 2] within the meaning of 18-2-102.

NEW SECTION. **Section 7. Requirements for approval of state debt.** Because [section 3] authorizes the creation of a state debt, a vote of two-thirds of the members of each house is required for enactment of [section 3]. If [section 3] is not approved by the required vote, [this act] is void.

NEW SECTION. **Section 8. Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. **Section 9. Effective date.** [This act] is effective on passage and approval.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0015, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:
An act authorizing the creation of state debt through the issuance of general obligation bonds, appropriating the proceeds of the bonds for capital projects for the 1997 biennium, and providing for matters relating to the appropriations.

ASSUMPTIONS:
1. The proposed bonded state building program will result in no general fund costs.
2. Bonds will be issued beginning in January 1996, consistent with the schedule assumed in information Note 1.
3. As a result of passage and approval of HB19, 12% of coal severance tax (CST) collections will be allocated to the long-range building program account effective July 1, 1995 (Fiscal Note for HB19).
4. Therefore, CST revenue will be $.339 million in FY96 and $5.258 million in FY97 (ROC), and about $5.400 million beginning in FY98, based on current estimates.
5. As recommended in the Governor's Executive Budget, not all of the CST will be required to retire the debt on the recommended bonded program. There will be a surplus of approximately $.109 million in FY96, $3.087 million in FY97, $1 million in FY98, and $1.2 million in FY99 through FY17, based on current revenue estimates. The Governor's Executive Budget recommends the surplus be made available for legislative appropriation for maintenance of state-owned buildings.
6. The capitol land grant (CLG) will be used to retire approximately $7 million of the debt on the State Capitol renovation. The remaining CLG revenue will be available for maintenance projects on the capitol complex. (Information Note 2)
7. Bonds issued for the state hospital will be retired through savings realized in the Department of Corrections and Human Services operating budgets.

FISCAL IMPACT:

	FY96	FY97
Expenditures:	Difference	Difference
Debt Service	230,000	2,400,000
Funding:		
Coal Severance Tax	230,000	2,171,000
Capitol Land Grant	0	229,000
Total	230,000	2,400,000

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:
A portion, but not all of either the coal severance tax revenue in the long-range building account or the capitol land grant revenue available for the capitol complex will be dedicated to retire the debt on the recommended building program. The balances remaining will be recommended for, and subject to, legislative appropriation for either cash or bonded building projects.

(Continued)

David Lewis 1-12-95

DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

ERNEST BERGSAGEL, PRIMARY SPONSOR DATE

INFORMATION NOTES:

1) BONDING SCHEDULE FOR RECOMMENDED BUILDING PROGRAM

PROJECT	FY96	FY97	FY98
Swan River	560,000		
Cascade Correctional Facility	4,100,000		
Montana State Prison		3,740,000	
Correctional Facilities		2,000,000	2,900,000
State Capitol		5,000,000	12,911,000
MSU Heating Plant		3,000,000	
State Hospital		18,000,000	
Chemistry Building			4,536,000
Underground Utilities		6,000,000	
Law Enforcement Academy	500,000		6,500,000
Pharmacy		2,000,000	
Totals	5,160,000	39,740,000	26,847,000

2) DEBT SERVICE PLAN
(In Millions)

	General Fund			Retirement of New Debt		
Fiscal Year	Current Fiscal Year Total	New Debt*	Projected Fiscal Year Total	Coal Tax	Capital Land Grant	Projected New Revenues
1995	14.428	0.000	14.428	0.000		
1996	7.682	0.230	7.912	0.230		0.230
1997	3.981	2.400	6.381	2.171	0.229	2.400
1998	3.777	4.790	8.567	4.371	0.419	4.790
1999	3.664	4.790	8.454	4.155	0.635	4.790
2000	3.640	4.790	8.430	4.156	0.634	4.790
2001	3.479	4.790	8.269	4.153	0.637	4.790
2002	3.482	4.790	8.272	4.158	0.632	4.790
2003	3.476	4.790	8.266	4.158	0.632	4.790
2004	3.171	4.790	7.961	4.158	0.632	4.790
2005	3.152	4.790	7.942	4.154	0.636	4.790
2006	3.144	4.790	7.934	4.155	0.635	4.790
2007	3.149	4.790	7.939	4.154	0.636	4.790
2008	3.150	4.790	7.940	4.155	0.635	4.790
2009	3.303	4.790	8.093	4.157	0.633	4.790
2010	3.394	4.790	8.184	4.155	0.635	4.790
2011	3.411	4.790	8.201	4.155	0.635	4.790
2012	3.417	4.790	8.207	4.158	0.632	4.790
2013	3.428	4.790	8.218	4.157	0.633	4.790
2014	1.772	4.790	6.562	4.154	0.636	4.790
2015	0.135	4.790	4.925	4.158	0.632	4.790
2016	0.000	4.790	4.790	4.155	0.635	4.790
2017	0.000	4.790	4.790	4.155	0.635	4.790
Totals	82.235	98.430	180.665	85.732	12.698	98.430

* Excluding State Hospital

HOUSE APPROPRIATIONS

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
HB0012	QUILICI, JOE 1/02	1/25	ENERGY CONSERVATION BONDS	PASS AS AMENDED 1/25 VOTE: 18-0		1/27
HB0013	PAVLOVICH, BOB 1/02	2/06	EXTEND VETERANS' HONORARIUM	TABLED ON 3/21 VOTE: 15-3		
HB0014	ZOOK, TOM 1/02	1/03	FIRE SUPPRESSION SUPPLEMENTAL APPROPRIATION	DO PASS 1/3 VOTE: 18-0		1/04
HB0015	BERGSAGEL, ERNEST 1/02	3/15	BONDS FOR CAPITAL PROJECTS	PASS AS AMENDED 3/15 VOTE: 18-0		3/17
HB0016	WYATT, DIANA 1/02	1/12	CASCADE COUNTY PROPERTY TAX SETTLEMENT SUPPLEMENTAL APPROPRIATION	PASS AS AMENDED 1/20 VOTE: 15-1		1/23
HB0017	WISEMAN, WILLIAM 1/02	1/30	REVISE COMPENSATION FOR STATE EMPLOYEES, JUDGES AND ELECTED STATE OFFICIALS	PASS AS AMENDED 3/14 VOTE: 12-6		3/16
HB0018	ZOOK, TOM 1/02	3/02	INCREASE STATUTORY APPROPRIATION FOR FIRE EMERGENCY OR DISASTER	DO PASS 3/14 VOTE: 14-4		3/16
HB0019	BERGSAGEL, ERNEST 1/02	3/15	REALLOCATE COAL TAX FROM HIGHWAYS TO LONG-RANGE BUILDING	DO PASS 3/15 VOTE: 18-0		3/16
HB0020	PAVLOVICH, BOB 1/02	1/03	RAISE VETERANS' HEADSTONE ALLOWANCE	DO PASS 1/16 VOTE: 15-3		1/17
HB0021	SQUIRES, CAROLYN 1/02	1/18	APPROPRIATION TO FUND APPRENTICESHIP INSTRUCTION PROGRAMS FOR 1996-97	PASS AS AMENDED 3/14 VOTE: 12-6		3/16
HB0029	HARPER, HAL 1/02	1/10	ALLOW DEPT COMMERCE TO RETAIN 16% OF PUBLIC CONTRACTOR FEE FOR ADMIN COSTS	TABLED ON 2/21 VOTE: 18-0		
HB0035	COBB, JOHN 1/02	1/03	AUTHORIZE APPROPRIATION TRANSFER FROM FIRST TO SECOND FISCAL YEAR	PASS AS AMENDED 1/16 VOTE: 18-0		1/17

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN TOM ZOOK**, on March 15, 1995, at 8:00 a.m.

ROLL CALL

Members Present:

Rep. Tom Zook, Chairman (R)
Rep. Edward J. "Ed" Grady, Vice Chairman (Majority) (R)
Rep. Joe Quilici, Vice Chairman (Minority) (D)
Rep. Beverly Barnhart (D)
Rep. Ernest Bergsagel (R)
Rep. John Cobb (R)
Rep. Roger Debruycker (R)
Rep. Gary Feland (R)
Rep. Marjorie I. Fisher (R)
Rep. Don Holland (R)
Rep. Royal C. Johnson (R)
Rep. John Johnson (D)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Matt McCann (D)
Rep. William T. "Red" Menahan (D)
Rep. Steve Vick (R)
Rep. William R. Wiseman (R)

Members Excused: None.

Members Absent: None.

Staff Present: Nan LeFebvre, Fiscal Analyst
Marjorie Peterson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary: / No discussion

Hearing:	HB 5, HB 15, HB 19, HB 143, HB 579, HB 584, HB 585, HB 594, HB 595
Executive Action:	DO PASS AS AMENDED: HB 3, HB 5, HB 15, HB 584, HB 585, HB 594, HB 595; HB 19 DO PASS, HB 395 DO PASS

In July 1, 1996, there would be a transfer of $5.2 million from this account to the general fund.

REP. KADAS asked if the effective date was July 1, 1996 and if it would be possible to take $10 million this biennium instead of $5 million. **REP. KADAS** asked **Dave Lewis, OBPP,** if this bill moved money out of the highway account in fiscal 1996. **Mr. Lewis** answered yes, it would be effective in July 1995. The coal tax goes to the long-range building account and phases in $5 million from general fund in fiscal 1996.

Motion/Vote: REP. BERGSAGEL MOVED HB 19 DO PASS. Motion carried unanimously.

EXECUTIVE ACTION ON HB 15

Discussion: REP. BERGSAGEL introduced amendments to HB 15 and submitted a chart showing the projects and costs. The subcommittee recommended approval of these costs associated with infrastructure and recommended leaving out historical preservation. One of the amendments deal with that recommendation -- after the money is spent, the excess balance can be prioritized and used for historical preservation. **REP. BERGSAGEL** explained each item on the chart: Capitol restoration will be $19.3 million; prison expansion, $5.8 million -- for operations for kitchen facilities, maintenance work at the dairy farm, some new construction and 30 new beds; heating plant at MSU, $5.2 million -- replacing two old boilers, and problems maintaining the system; Chemistry building at Montana Tech in Butte, $6 million -- the interior hasn't been touched since 1921 and they still have the original neon lights from 1921; MSU, $6 million for considerable wiring upgrading and utility tunnels; and the Havre Job Service, $350,000. The job service office currently has two sites with six employees and they would like a new facility so everyone can be located in one building. The total cost of HB 15 is $42.7 million. Exhibit 3 is a summary of executive action taken by the Long-Range Building Planning subcommittee. **EXHIBITS 2 and 3.**

REP. KADAS showed some concern about the procedure they were using. If they were looking at the bill that was amended by the subcommittee, he wondered if they could put those amendments on and then work on the amended bill, the gray bill. **REP. ROYAL JOHNSON** couldn't understand how you could take them off the bill if you didn't like them. **CHAIRMAN ZOOK** stated the bill comes to the full committee with the amendments already included. **REP. KADAS** thought that the subcommittee could only make recommendations and essentially they would only be accepting those recommendations in the full committee. **CHAIRMAN ZOOK** said it would be a double action and doesn't think it is necessary. **REP. BERGSAGEL** said if **REP. KADAS** wanted, they could choose to go through the procedure of adopting the amendments. **REP. QUILICI**

noted that the subcommittee's amendments were not in the introduced copy of the bill and had not been reprinted for this committee. The subcommittee put amendments in the bill as we have it now. **CHAIRMAN ZOOK** told **REP. BERGSAGEL** he could move the bill as amended.

Motion/Vote: **REP. BERGSAGEL MOVED HB 15 AS AMENDED BY THE SUBCOMMITTEE. Motion carried 17 - 1, with REP. DEBRUYCKER voting no.**

Motion/Vote: **REP. BERGSAGEL MOVED TO WITHDRAW THE AMENDMENTS BY THE SUBCOMMITTEE. Motion carried unanimously.**

Discussion: **CHAIRMAN ZOOK** reminded everyone they were back on the original bill without any amendments. He asked **Nan LeFebvre, Fiscal Analyst,** to clear up the confusion. She stated this committee should consider the bill as amended by the subcommittee otherwise they would have to consider each amendment separately. She explained that the amendments were written to coordinate with each other and she recommended that the committee consider HB 15 as amended by the subcommittee. They could strike the Law Enforcement Academy and the regional correctional facilities from the bill, but leave in all other amendments of the subcommittee including the action on the capitol restoration and job service office. All items relating to the regional correctional facilities have been stricken from HB 15 and are in HB 585. All items dealing with the Law Enforcement Academy have been stricken from HB 15 and are in HB 584. **EXHIBITS 4 and 5.**

REP. BERGSAGEL said the amendments from the subcommittee should be acted on. **CHAIRMAN ZOOK** asked to have the amendments restored. **Motion carried unanimously.**

Motion: **REP. BERGSAGEL MOVED HB 15 AMENDMENT HB001502.A11.**

Discussion: **REP. KADAS** remarked that it seemed to him the rationale for taking those out of the main body of the bill was essentially to expand the number of bills that would require a 2/3 vote on the House floor. **REP. BERGSAGEL** said he just hoped to pass HB 15 as a maintenance bill. He was concerned that there were other sections that could be controversial if included in the maintenance part of the bill. He hoped to support maintenance for state facilities. **REP. KADAS** said he thought this process was more confusing. **REP. ROYAL JOHNSON** wanted to clarify that there are two building projects, one for prison expansion and one for the Havre job service and that all the others are maintenance projects.

Vote: **Motion that HB 15 Amendment HB001502.A11 Do Pass carried 17 - 1, with REP. KADAS voting no.**

Motion: **REP. DEBRUYCKER MOVED TO ELIMINATE THE HAVRE JOB SERVICE** activity. He mentioned the office in Havre might lose part of [illegible] anyway, so he would like to take it out now. REP.

QUILICI asked what their needs were. **REP. BERGSAGEL** heard previous testimony that indicated there were six employees in two separate locations and they felt it would enhance their ability to provide services to the community if they were in one building. If this motion is accepted, the job service will still do their job but in two different locations. In 1993, Butte asked for authorization to either build or rent another facility for their job service and, so far, that has not been approved. **REP. KADAS** asked what the source of repayment would be. **REP. BERGSAGEL** said that if they default on their payments, which he thought was to the federal government, Montana would pick up the tab.

Jim Hill, Bureau Chief, Job Service, said there were 10 employees in Havre with eight being located in one building. There were only seven parking spaces and no room for client parking.

REP. MATT MCCANN, HD 92, Harlem, said it was in an awkward place and is a very small building and he supports the appropriation.

Vote: Motion that HB 15 Substitute Motion Do Pass carried 12 - 6, with REPS. MENAHAN, ROYAL JOHNSON, KADAS, QUILICI, JOHN JOHNSON and McCANN voting no.

Motion/Vote: REP. BERGSAGEL MOVED HB 15 DO PASS AS AMENDED. Motion carried unanimously.

{Tape: 1; Side: B; Approx. Counter: 0.1.}

HEARING ON HB 579

Opening Statement by Sponsor:

REP. KENNETH WENNEMAR, HD 71, Frenchtown, said HB 579 appropriates $300,000 from the general fund to the Board of Regents for distribution to the Montana Geographical Alliance. The appropriation would be $150,000 each year. The National Geographic Society would match funds up to $50,000 per year. $100,000 would go to a national geographic education foundation to be deposited into an endowment fund, the Montana National Geographic Education fund. **EXHIBIT 6.**

Proponents' Testimony:

Craig Cummings, Teacher, said geography education is just one of the many areas of education that teaches history of the state. Two years ago, he was chosen by the National Geographical Society to attend a conference in Washington, DC, where he was trained to be a teacher consultant for the Society and the Montana Geographic Alliance. He has traveled throughout Montana training

HOUSE OF REPRESENTATIVES

Appropriations

ROLL CALL DATE 3-15-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Tom Zook, Chairman	✓		
Rep. Ed Grady, Vice Chairman, Majority	✓		
Rep. Joe Quilici, Vice Chairman, Minority	✓		
Rep. Beverly Barnhart	✓		
Rep. Ernest Bergsagel	✓		
Rep. John Cobb	✓		
Rep. Roger DeBruycker	✓		
Rep. Gary Feland	✓		
Rep. Marj Fisher	✓		
Rep. Don Holland	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Mike Kadas	✓		
Rep. Betty Lou Kasten	✓		
Rep. Matt McCann	✓		
Rep. Red Menahan	✓		
Rep. Steve Vick	✓		
Rep. Bill Wiseman	✓		

HOUSE STANDING COMMITTEE REPORT

March 17, 1995

Mr. Speaker: We, the committee on **Appropriations** report that **House Bill 15** (first reading copy -- white) **do pass as amended**.

Signed: Tom Zook
Tom Zook, Chair

And, that such amendments read:

1. Page 1, line 29.
Strike: "$17,911,000"
Insert: "$12,559,240"

2. Page 2, line 2.
Strike: line 2 in its entirety.

3. Page 2, lines 3 and 4.
Strike: lines 3 and 4 in their entirety.

4. Page 2, lines 5 through 7.
Strike: lines 5 through 7 in their entirety.

5. Page 2, line 10.
Strike: "3,000,000"
Insert: "3,120,000"

6. Page 2, lines 15 and 16.
Strike: lines 15 and 16 in their entirety.

Committee Vote:
Yes 18, No 0.

621046SC.Hdh

7. Page 2, line 19.
Strike: "$71,747,000"
Insert: "$30,515,240"

-END-

EXHIBIT 2
DATE 3-15-95
HB 15

House Bill 15
Long–Range Building Program
(Amounts in Millions)

Project	As Proposed By The Executive		Long–Range Planning Subcommittee		Long–Range Planning – Excluding GF Regional Jail	
	Bonded Amount	Total Cost	Bonded Amount	Total Cost	Bonded Amount	Total Cost
Captiol Restoration	$17.911	$20.000	$12.559	$19.330	$12.559	$19.330
Prison Expansion	$4.300	$5.800	$4.300	$5.800	$4.300	$5.800
Regional Jails (All)	$9.000	$13.000	–	–	–	–
Regional Jail (Great Falls Only)	N/A	N/A	$4.300	$4.300	–	–
MSH – Warm Springs	$18.000	$18.000	–	–	–	–
Law Enforcement Academy	$7.000	$7.000	–	–	–	–
MSU – Heating Plant	$3.000	$5.200	$3.120	$5.200	$3.120	$5.200
UM – Chemistry Bldg.	$4.536	$6.045	$4.536	$6.045	$4.536	$6.045
MSU – Utility Tunnels	$6.000	$6.000	$6.000	$6.000	$6.000	$6.000
UM – Pharmacy Bldg.	$2.000	$4.000	–	–	–	–
DOLI – Job Service, Havre	N/A	N/A	$0.350	$0.350	$0.350	$0.350
TOTALS:	$71.747	$85.045	$35.165	$47.025	$30.865	$42.725

EXHIBIT
DATE 3-15-95
HB 15

LONG–RANGE PLANNING SUBCOMMITTEE
House Bill 5
Executive Action

Agency/Project	LRBP Booklet Reference & Project Breakdown		Project Total
Department of Administration			
1. ADA Accessibility	Priority # 17, Page 93 – 94		$100,000
2. Capitol Restoration	Priority # 66, Page 246 – 248		
	CTEP, Proprietary, Cap. Land Grant	$1,385,000	
	Private Donations – Authority Only	5,385,640	
			$6,770,640
Department of Transportation			
1. Repair, Maint., Minor Constr.	Priority # 59, Page 221 – 223		
	Repair & Maintenance	$550,000	
	Replacement Projects	650,000	
	Misc. Small Projects	280,000	
			$1,480,000
2. Equipment Buildings	Priority # 60, Page 224 – 227		
	Polson	$250,000	
	Miles City	850,000	
	Helena Motor Pool	350,000	
	Crick's Camp	150,000	
	Wilsall	140,000	
	Clinton	80,000	
			$1,820,000
3. Repair, Maint./Aeronautics	Priority # 61, Page 229 – 230		$50,000
Department of Military Affairs			
1. Armory HVAC	Priority # 1, Page 47 – 49		$258,500
2. Roof Replacements	Priority # 6, Page 61 – 63		
	Havre Armory	$17,000	
	STARC Armory	90,000	
			$107,000
3. Billings Armory	Priority # 52, Page 200 – 202		$14,009,800
4. Federal Spending Authority	Priority # 53, Page 203 – 205		$800,000
5. Veterans' Cemetery	Priority # 54, Page 206 – 208		
	Loop Access Roads	$75,000	
	Wells, Irrigation Main	59,000	
	Sprinkler System	16,000	
			$150,000
Department of Labor & Industry			
1. Repair/Maint., Job Service Offices	Priority # 49, Page 193 – 195		
	Carpet Replacement	$60,000	
	Ceiling	50,000	
			$110,000
2. Expand Job Service, Havre	Moved to House Bill 15		N/A
3. Purchase Land, Job Service Offices	Priority # 51, Page 198 – 199		$156,550

LONG–RANGE PLANNING SUBCOMMITTEE
House Bill 5
Executive Action

	Agency/Project	LRBP Booklet Reference & Project Breakdown		Project Total
Department of Family Services				
1.	Pine Hills Improvements	Priority # 10, Page 72 – 74		
		Security Fence	$50,000	
		Shower	50,000	
				$100,000
2.	Pine Hills Lodge	Priority # 12, Page 79 – 81		$100,000
Department of State Lands				
1.	Maintenance Statewide	Priority # 11, Page 75 – 78		
		Anaconda	$15,000	
		Garrison	21,000	
		Greenough	35,000	
		Helena	18,000	
		Kalispell	8,500	
		Libby	5,000	
		Miles City	16,000	
		Missoula	200,400	
		Olney	2,500	
		Architect Fees & Contingencies	15,000	
				$336,400
2.	Plains Unit Office	Priority # 13, Page 82 – 84		$300,000
Board of Education/MSDB				
1.	Reshingle Cottage Complex	Priority # 16, Page 91 – 92		$120,000
Department of Corrections & Human Services				
1.	Improvements, Center for the Aged	Priority # 2, Page 50 – 51		$330,000
2.	Roof Replacements, Warm Springs	Priority # 5, Page 58 – 60		
		Commissary	$35,000	
		Heating Plant	35,000	
				$70,000
3.	Improvements, MT Dev. Center	Priority # 9, Page 69 – 71		$644,000
4.	Maint., MT Veterans' Homes	Priority # 47, Page 189 – 190		
		Roofs	$91,250	
		Roads/Parking	96,702	
		Cubicles/Door	13,000	
		Sprinkler/Chapel	15,000	
				$215,952
5.	Expansion, Correctional Boot Camp	Priority # 48, Page 191 – 192		$560,000
6.	Montana State Prison Expansion	House Bill 5 & 15		$1,500,000
7.	Regional Correctional Facilities	House Bill 15 Only		N/A
Department of Natural Resources & Conservation				
1.	Tongue River Dam Rehabilitation	Priority # 55, Page 209 – 211		$35,365,000
2.	Petrolia Dam Rehabilitation	Priority # 56, Page 213 – 214		$1,076,000
3.	Nevada Creek Dam Study	STRIKE		N/A
4.	Ruby River Dam Study	STRIKE		N/A

LONG-RANGE PLANNING SUBCOMMITTEE
House Bill 5
Executive Action

	Agency/Project	LRBP Booklet Reference & Project Breakdown		Project Total
	Montana University System			
1.	Repair Steam Traps, UM – Western	Priority # 3, Page 52 – 54		$55,000
2.	Repair Brockmann, MSU – Northern	Priority # 4, Page 55 – 57		$75,000
3.	Museum Elevator, UM – MT Tech	Priority # 7, Page 64 – 65		$350,000
4.	Replace Roofs, University System	Priority # 8, Page 66 – 68		
		MSU-Bozeman, Sherrick Hall	$90,000	
		MSU-Bozeman, Reid Hall	200,000	
		UM-WMC, Library Soffits	48,800	
		UM-Missoula, N. Corbin Hall	15,000	
		UMCT, Admin. Building	200,000	
		UM-Missoula, Botany Annex	50,000	
		UM-WMC, Auditorium	45,900	
		UM-HCT, Airport Hangar	65,000	
				$714,700
5.	Life Safety/Code, University System	Priority # 14, Page 85 – 87		
		UM-Missoula, Fine Arts	$85,000	
		UM-Missoula, Schreiber Gym	75,000	
		UM-Missoula, Continuing Ed.	30,000	
		UM-Missoula, Science Complex	30,000	
		UM-Missoula, Physical Plant	25,000	
		UM-Missoula, Botany Annex	10,000	
		UM-Missoula, 724 Eddy	20,000	
		UM-Missoula, Counseling	25,000	
		UM-Missoula, Native American	25,000	
		MSU-Billings, Campus Wide	175,000	
		Note: See Page 87 for Priority List		$500,000
6.	ADA Accessibility, University System	Priority # 15, Page 88 – 89		
		Helena College of Tech.	$50,000	
		UM-MT Tech, Museum	250,000	
		Note: See Page 90 for Priority List		$300,000
7.	MSU-Bozeman, Central Heating	House Bill 5 & 15		$2,080,000
8.	UM-MT Tech, Chemistry Building	House Bill 5 & 15		$1,509,000
9.	UM-Missoula, Pharmacy	House Bill 5 & 15		$0
10.	Authority Only, UM	Priority # 62, Page 231 – 234		
		Student Bldg. Fee Projects	$400,000	
		Grant Projects	500,000	
		Relocate Human Resources	150,000	
		Relocate Printing Services	300,000	
		Prescott House	1,650,000	
				$3,000,000
11.	Authority Only, MSU	Priority # 63, Page 235 – 238		
		Bozeman, Bioscience Facility	$10,815,946	
		Bozeman, Energy Conservation	200,000	
		Northern, Hagenar Science Center	250,000	
		Northern, Hagenar Lab	60,000	
		Northern, Storage Facility	250,000	
			$11,575,946	
		Bozeman, Football Stadium	$12,000,000	
				$23,575,946

LONG–RANGE PLANNING SUBCOMMITTEE
House Bill 5
Executive Action

	Agency/Project	LRBP Booklet Reference & Project Breakdown	Project Total
	Department of Fish Wildlife & Parks		
1.	Wildlife Habitat Maintenance	Priority # 18, Page 95 – 97	$377,000
2.	Bluewater Hatchery, Phase II	Priority # 19, Page 98 – 100	$2,500,000
3.	Ulm Pishkun, Phase I	Priority # 20, Page 101 – 104	$1,063,000
4.	Improve Admin. Facilities	Priority # 21, Page 105 – 107	$569,520
5.	Property Development & Maint.	Priority # 22, Page 108 – 110	$165,000
6.	Fishing Access Site Protection	Priority # 23, Page 111 – 113	$1,000,000
7.	Makoshika State Park	Priority # 24, Page 114 – 117	$400,000
8.	Waterfowl Stamp Program	Priority # 25, Page 118 – 120	$185,000
9.	Fish Health Lab	Priority # 26, Page 121 – 123	$344,000
10.	Habitat Montana	Priority # 27, Page 124 – 126	$4,600,000
11.	Tongue River Reservoir St. Park	Priority # 28, Page 127 – 131	$1,150,000
12.	Fish Hatchery Maintenance	Priority # 29, Page 131 – 133	$192,000
13.	Spring Meadow Wildlife & Ed. Center	Priority # 30, Page 134 – 136	$625,000
14.	Statewide Road Improvements	Priority # 31, Page 137 – 140	$1,150,000
15.	Fishing Access Site Acquisition	Priority # 32, Page 141 – 144	$800,000
16.	River Restoration	Priority # 33, Page 145 – 148	$290,000
17.	Big Horn Sheep Program	Priority # 34, Page 149 – 151	$652,720
18.	Lone Pine Visitor Center	STRIKE	N/A
19.	Miles City Hatchery Pond	Priority # 36, Page 155 – 157	$110,000
20.	Salmon & Placid Lakes St. Park	Priority # 37, Page 158 – 160	$275,000
21.	Whitefish Lake State Park	Priority # 38, Page 161 – 163	$400,000
22.	Thompson Chain of Lakes FAS	Priority # 39, Page 164 – 167	$200,000
23.	Lake Elmo, Phase III	Priority # 40, Page 168 – 170	$150,000
24.	Cooney Reservoir St. Park	Priority # 41, Page 171 – 173	$290,000
25.	Boat in Lieu Reg'l Projects	Priority # 42, Page 174 – 176	$400,000
26.	BPA Trust Mitigation	Priority # 43, Page 177 – 179	$1,000,000
27.	South Sandstone Dam Repair	Priority # 44, Page 180 – 182	$264,000
28.	Ringy Dingy Dam Repair	Priority # 45, Page 183 – 185	$50,000
29.	Tongue River Restoration	Priority # 46, Page 186 – 188	$1,100,000
	Total HB 5:		**$118,991,728**

EXHIBIT 4
DATE 3-15-95
HB 15

Amendments to House Bill No. 15
Introduced Copy

For the Committee on House Appropriations

Prepared by Nan LeFebvre
February 28, 1995

1. Page 1, lines 12 and 15.
Strike: "6"
Insert: "8"

2. Page 1, line 29.
Strike: "$17,911,000"
Insert: "$12,559,240"

3. Page 2, line 2.
Strike: "Facilities"
Insert: "Facility, Great Falls"
Strike: "9,000,000"
Insert: "4,300,000"

4. Page 2, lines 3 and 4.
Strike: lines 3 and 4 in their entirety.

5. Page 2, lines 6 and 7.
Following: "Complex" on line 6
Strike: remainder of line 6 through line 7 in their entirety.
Insert: "1"

6. Page 2, line 10.
Strike: "3,000,000"
Insert: "3,120,000"

7. Page 2, lines 15 and 16.
Strike: lines 15 and 16 in their entirety.

8. Page 2, line 17.
Following: line 16
Insert: "DEPARTMENT OF LABOR AND INDUSTRY
Expand Job Service Office, Havre 350,000"

9. Page 2, line 18.
Following: line 17

EXHIBIT
DATE 3-15-95
HB 15

Amendments to House Bill No. 15
First Reading Copy

Requested by Representative Bergsagel
For the Committee on House Appropriations

Prepared by Nan LeFebvre
March 14, 1995

1. Page 2, line 2.
Strike line 2 in its entirety.

This amendment completely strikes "regional correctional facilities" from the introduced version of House Bill 15. Correspondingly, all amendments for HB 15 approved by the Long-Range Planning Subcommittee relating to regional correctional facilities, are to be stricken.

The construction of regional correctional facilities is authorized in House Bill 585.

2. Page 2, lines 5 through 7.
Strike lines 5 through 7 in their entirety.

This amendment completely strikes "law enforcement complex" from the introduced version of House Bill 15. Correspondingly, all amendments for HB 15 approved by the Long-Range Planning Subcommittee relating to a law enforcement complex, are to be stricken.

The construction of a law enforcement academy is authorized in House Bill 584.

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE			REREFERRED	DATE READ
HB0012	QUILICI, JOE 1/31	2/03		ENERGY CONSERVATION BONDS CONCUR	2/3	VOTE:		2/06
HB0014	ZOOK, TOM 1/10	1/17		FIRE SUPPRESSION SUPPLEMENTAL APPROPRIATION CONCUR	1/14	VOTE:		1/18
HB0015	BERGSAGEL, ERNEST 3/22	3/27		BONDS FOR CAPITAL PROJECTS CONCUR AS AMENDED	3/27	VOTE:		3/28
HB0016	WYATT, DIANA 1/26	2/01		CASCADE COUNTY PROPERTY TAX SETTLEMENT SUPPLEMENTAL APPROPRIATION CONCUR	2/1	VOTE:		2/02
HB0017	WISEMAN, WILLIAM 3/21	3/22	4/4	REVISE COMPENSATION FOR STATE EMPLOYEES, JUDGES AND ELECTED STATE OFFICIALS CONCUR	4/4	VOTE:		4/05
HB0018	ZOOK, TOM 3/23	3/28		INCREASE STATUTORY APPROPRIATION FOR FIRE EMERGENCY OR DISASTER CONCUR	3/28	VOTE:		3/28
HB0019	BERGSAGEL, ERNEST 3/21	3/22	3/27	REALLOCATE COAL TAX FROM HIGHWAYS TO LONG-RANGE BUILDING CONCUR	3/27	VOTE:		3/28
HB0020	PAVLOVICH, BOB 1/21	1/30		RAISE VETERANS' HEADSTONE ALLOWANCE CONCUR	1/30	VOTE:		1/31
HB0035	COBB, JOHN 1/21	1/30		AUTHORIZE APPROPRIATION TRANSFER FROM FIRST TO SECOND FISCAL YEAR TABLED ON 03/21		VOTE:		
HB0043	TASH, BILL 1/16	1/24		INSTITUTIONAL SALES AS PERMISSIBLE BUDGET AMENDMENT CONCUR	1/28	VOTE:		1/30
HB0067	JOHNSON, ROYAL 1/13	1/24		REVISE RATE OF INTEREST ON REGISTERED WARRANTS CONCUR	1/30	VOTE:		1/31
HB0076	JOHNSON, ROYAL 1/21	1/26		IMPROVE STATE CASH FLOW CONCUR	1/30	VOTE:		1/31

MINUTES

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By **SENATOR GARY AKLESTAD, Chairman,** on Monday, March 27, 1995, at 8:00 a.m., Room 108.

ROLL CALL

Members Present:

Sen. Gary C. Aklestad, Chairman (R)
Sen. Thomas F. Keating, Vice Chairman (R)
Sen. Thomas A. "Tom" Beck (R)
Sen. James H. "Jim" Burnett (R)
Sen. Loren Jenkins (R)
Sen. Ethel M. Harding (R)
Sen. Arnie A. Mohl (R)
Sen. Charles "Chuck" Swysgood (R)
Sen. Daryl Toews (R)
Sen. Larry J. Tveit (R)
Sen. B.F. "Chris" Christiaens (D)
Sen. Eve Franklin (D)
Sen. Judy H. Jacobson (D)
Sen. Greg Jergeson (D)
Sen. John "J.D." Lynch (D)
Sen. Mignon Waterman (D)

Members Excused: None

Members Absent: None

Staff Present: Nan LeFebvre, Associate Fiscal Analyst
Lynn Staley, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing: HB 6, HB 7, HB 8, HB 15,
Executive Action: HB 2, HB 279, HB 305, HB 7, HB 8

EXECUTIVE ACTION ON HOUSE BILL 2

Motion: **SENATOR HARDING MOVED HOUSE BILL 2 AS AMENDED BE CONCURRED IN.**

Discussion: **SENATOR AKLESTAD** said the vote would be left open on HB 2 for committee members not present to vote later this day.

Closing by Sponsor:

In closing on HB 7, **REPRESENTATIVE BERGSAGEL** acknowledged the hard work of **SENATORS CHRISTIAENS** and **HARDING.**

HEARING ON HOUSE BILL 8

Opening Statement by Sponsor:

REPRESENTATIVE MATT MCCANN, House District 92, Harlem, sponsor, explained that HB 8 deals with renewable resources through projects. Grants are awarded in HB 6, and the loans are awarded in HB 8. The loans are financed with state bonds and backed by the coal severance tax.

Proponents' Testimony:

John Tubbs, DNRC, testified in support of HB 8.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

In closing on HB 8, **REPRESENTATIVE MCCANN** said it would require a three-fourths vote.

HEARING ON HOUSE BILL 15

Opening Statement by Sponsor:

REPRESENTATIVE ERNEST BERGSAGEL, House District 95, Malta, sponsor, stated that HB 15 is the bonded portion of the maintenance program for the state of Montana. He explained that if HB 19 did not pass, HB 15 would have to be tabled because there would be no money to do the work. He depicted the projects in HB 15. **EXHIBIT 3**

Proponents' Testimony:

Lois Menzies, Director, Department of Administration, testifying in support of the Capitol Restoration Project, said they were concerned about the shift of funding that has occurred since HB 15 was introduced as there is a decrease in the amount available for bonding and a corresponding increase in private donations to make up for the difference. She voiced concern about how they would be able to raise approximately $5 million in private and

corporate donations. She asked the committee to return HB 15 to its original form.

Bob Anderson, Special Services Division, Department of Corrections and Human Services, testified as a proponent for HB 15 relating to the prison expansion.

Opponents' Testimony:

REPRESENTATIVE ROYAL JOHNSON, House District 10, said he didn't oppose the bill but did oppose the priority system in the bill. He indicated that the Board of Regents has a project on their priority list which is approximately $1.5 million for repair of an electrical system at MSU, Billings. The situation is so serious that when the system doesn't work, it shuts all the electricity in the campus down. He concluded that should be a high priority and should be put back in HB 15.

Questions From Committee Members and Responses:

SENATOR BECK said it was his understanding the money for the prison expansion was available last session.

REPRESENTATIVE BERGSAGEL said during the last special session a potential population at the prison of 850 was discussed, but because the scope of the projects was reduced, it is back this session. He maintained that there is approximately $2 million of bonding authority left for the prison.

SENATOR BECK remarked that the pharmacy addition renovation at the University of Montana was stricken from HB 15. He questioned if there were a lot of private funds for the project and if the $2 million would cap it off.

REPRESENTATIVE BERGSAGEL said it was presented to the Governor as a $2 million bonded portion for the state and $2 million of private funds. In the hearings the University requested that the scope of the project be $2 million of bonded authority and that it would be a $10 million facility. That is what the Governor approved, but that was more than was felt could be done so the project was backed off.

SENATOR JERGESON asked to have someone from the university comment regarding the pharmacy building.

George Dennison, President, University of Montana, said the pharmacy project is an addition to an existing building which would bring the pharmacy and physical therapy group together in one facility, thereby enhancing the laboratory and classroom capabilities. He explained that there is a $2.5 million commitment from a Utah foundation, which is based on the university raising funds. The university commits to raise $5.9 million from private and federal sources, and they are asking for $2 million of support from the bonding program for the project.

Mr. Dennison presented a handout detailing the University of Montana proposed addition **EXHIBIT 4.**

SENATOR KEATING asked **Commissioner Baker** to address the situation at the Billings campus.

Jeff Baker, Commissioner of Higher Education, said each of the Montana university campuses prioritized within two components in the restructured system. Using criteria established in the Commissioner's office, the two lists were put together with the participation of the campuses. The Regents' list puts the Billings project as the next project that normally would be funded under the program. He said while the problem in Billings is very severe, other things such as asbestos removal got a higher priority.

In response to a question from **SENATOR KEATING** regarding bonding limit, **REPRESENTATIVE BERGSAGEL** said the money is dedicated to the program that the Governor introduced, adding that there is $300 million in maintenance needs in the state of Montana. When everything is bonded, it leaves $4.7 million to address a $300 million problem, which he concluded is not enough. He indicated that he is attempting to make the dollars go further with a program he felt was more practical. The Billings campus' electrical problem is $1 million of the $300 million worth of problems in deferred maintenance. They took the highest ranking recommendations from the Board of Regents, and the number one project was the Butte school. He concluded that all the money can't be given to the university system as there are other responsibilities, and there has to be a decision as to what is the most important thing to do at the present time.

When questioned by **SENATOR KEATING** where the Billings wiring problem ranked, **Mr. Baker** said it was below all the projects presented to the committee but was above the pharmacy building, which was looked at as being funded by a different source.

When asked by **SENATOR MOHL** as to cost each time there is a problem with wiring to having someone come out to repair it, **Bob Lashaway, Director of Facilities, Montana State University,** said the potential exists for a great deal of personal liability for the work crews, students and faculty staff at MSU-Billings. There could be a situation where the electrical system would go down and may not be able to be brought back because of antique equipment. There is also the potential for a catastrophic failure within the facilities whereby Montana Power would have to shut off the power to the campus, and it would not be able to be brought back until major work was done.

SENATOR MOHL asked if there could there be the chance of everything freezing up if it was well below zero and the power went off.

Mr. Lashaway said that was correct. While it is not heated with electricity, it takes power to control the heat system.

SENATOR WATERMAN voiced concern that HB 19 has $5 million reverted to the general fund, and she questioned if it would be better to use that rather than the deferred maintenance.

REPRESENTATIVE BERGSAGEL said if the bonding program is approved, the people at Architecture and Engineering (A&E) will be extremely busy, and we may not be able to get the proper review process. In waiting until the next biennium, there will be a $10 million cash program for long range planning, which is about the same money as in 1985 for maintenance.

When asked by **SENATOR JENKINS** if this is all new spending for the university system and was not in the 1994 base, **REPRESENTATIVE BERGSAGEL** said this is a bonded program for maintenance and repairs and isn't associated with the base, with the exception of $350,000 and part of the prison expansion.

SENATOR JERGESON commented that in HB 19 the reallocation of coal tax is to service the bonded indebtedness, and he asked if it matched the annual debt service or whether it was more or less.

REPRESENTATIVE BERGSAGEL said more money will be obtained from HB 19 than is necessary for the debt service and the balance will go to Long Range Planning, with the exception of the first year. This session $5.2 million will go to Long Range Planning, and approximately $1.5 million will be left over; and more projects needing maintenance will have to be identified. He noted that $5.2 million will go to the general fund in the second year of the biennium.

In questioning from **SENATOR JERGESON** whether the revenue that is transferred in HB 19 exceeds the debt service bond in the next biennium, **REPRESENTATIVE BERGSAGEL** said there would be approximately $6 million left over which he hoped Long Range Planning would use for maintenance. He added that he would like to see a partnership formed with the entities to start identifying what responsibilities each agency has and what responsibilities are shared.

In answer to **SENATOR SWYSGOOD'S** question, **REPRESENTATIVE BERGSAGEL** said the State hospital and the regional correction facility are contained in another bill. He noted that the Job Service office in Havre was originally in HB 5 and approved for recommendation to the Long Range Planning committee. They came in and testified they did not have the cash to pay for a $350,000 unit and requested to be moved into HB 15.

Closing by Sponsor:

In closing, **REPRESENTATIVE BERGSAGEL** said HB 15 represents nearly unanimous agreement among committee members and concluded that we

should take care of the buildings we have rather than trying to build new ones.

Continued discussion:

SENATOR AKLESTAD said there was $12 million spending authority given to the university in 1991 which the pharmacy could have received some of, and he asked **Mr. Baker** how that correlates to the money currently being asked for.

Mr. Dennison said in 1991 the spending authority for a Life Science building was entirely from private sources and added that they are still working to achieve that. That spending authority has not been used.

When questioned by **SENATOR AKLESTAD** whether the spending authority could be used for the Pharmacy Building, **Mr. Baker** said some of it could, but only by redesignation.

When asked by **SENATOR SWYSGOOD** how much of that money was left, **Mr. Dennison** said they had not used it as it was entirely related to the Life Science Building, and those monies have not been raised.

EXECUTIVE ACTION ON HOUSE BILL 279

Motion/Vote: **SENATOR JERGESON MOVED HOUSE BILL 279 BE CONCURRED IN.** Motion **CARRIED** unanimously. **SENATOR JERGESON** will carry HB 279.

EXECUTIVE ACTION ON HOUSE BILL 7

Motion/Vote: **SENATOR CHRISTIAENS MOVED HOUSE BILL 7 BE CONCURRED IN.** Motion **CARRIED.** **SENATOR CHRISTIAENS** will carry HB 7.

EXECUTIVE ACTION ON HOUSE BILL 8

Motion/Vote: **SENATOR JERGESON MOVED HOUSE BILL 8 BE CONCURRED IN.** Motion **CARRIED.** **SENATOR CHRISTIAENS** will carry HB 8.

EXECUTIVE ACTION ON HOUSE BILL 305

Motion: **SENATOR BECK MOVED THAT HOUSE BILL 305 BE CONCURRED IN.**

Discussion: **SENATOR KEATING** presented the subcommittee's findings concerning HB 305. He said the state is the trustee for the lands and if they fail to comply with the law in dealing with ARCO, the state can be sued by any other party who feels damaged by the actions of the mining area against the state. The state feels compelled to pursue this matter for that reason. DHES

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE

ROLL CALL DATE 3/27/95
a.m. meeting

NAME	PRESENT	ABSENT	EXCUSED
SWYSGOOD, CHUCK	✓		
BURNETT, JIM	✓		
MOHL, ARNIE	✓		
JERGESON, GREG	✓		
FRANKLIN, EVE	✓		
TVEIT, LARRY	✓		
JENKINS, LOREN	✓		
JACOBSON, JUDY	✓		
LYNCH, J.D.	✓		
HARDING, ETHEL	✓		
TOEWS, DARYL	✓		
CHRISTIAENS, B.F. "CHRIS"	✓		
WATERMAN, MIGNON	✓		
KEATING, TOM - VICE CHAIRMAN	✓		
BECK, TOM	✓		
AKLESTAD, GARY - CHAIRMAN	✓		

SEN:1995
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SENATE FINANCE AND CLAIMS
EXHIBIT NO. 3
DATE 3/27/95
BILL NO. HB15

House Bill 15
Long-Range Building Program
1997 Biennium – As Passed by the House

Agency/Project	HB 15 Bonded Debt	HB 5 Non-Bonded Funding	Project Total
Department of Administration			
Capitol Restoration			
G.O. Bonds to be Paid With Coal Tax Money:	$7,559,240		
G.O. Bonds to be Paid With Capital Land Grant Revenue	5,000,000		
Federal Special – CTEP Funds:		$696,000	
Other:			
Private Donations		5,385,640	
ISD's Operating Budget		400,000	
Land Grant Cash		250,000	
GSD Match to CTEP Funds		39,000	
TOTAL:	$12,559,240	$6,770,640	$19,329,880
Corrections & Human Services			
MT State Prison Expansion			
G.O. Bonds to be Paid With Coal Tax Money:	$4,300,000		
Federal Special – Crime Bill Funds:		$1,500,000	
TOTAL:			$5,800,000
University System			
Central Heating Plant, Phase II, MSU – Bozeman			
G.O. Bonds to be Paid With Coal Tax Money:	$3,120,000		
Auxiliary Match:		$2,080,000	
TOTAL:			$5,200,000
Chemistry Building Renovation, UM – MT Tech			
G.O. Bonds to be Paid With Coal Tax Money:	$4,536,000		
Private Grant:		$1,509,000	
TOTAL:			$6,045,000
Underground Utilities Expansion, MSU – Bozeman			
G.O. Bonds to be Paid With Coal Tax Money:	$6,000,000		
TOTAL:			$6,000,000
Labor and Industry			
Job Service Office, Havre			
G.O. Bonds to be Paid With Federal Special Revenue:	$350,000		
TOTAL:			$350,000
TOTAL COST:	$30,865,240	$11,859,640	$42,724,880

Prepared by Nan LeFebvre, Office of the Legislative Fiscal Analyst (2986)
eb\hb15hous.wk3

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 4
DATE 3/27/95
BILL NO. HB 15

Pharmacy/Psychology Building Addition
THE UNIVERSITY OF MONTANA - MISSOULA
HB5 and HB15

ALSAM FOUNDATION GIFT - On March 14, 1995 The University of Montana announced that the Alsam Foundation will provide a gift of $2,500,000 for this project if the remainder of the resources needed are secured from other sources.

PROJECT GOAL - The School of Pharmacy & Allied Health Sciences consists of two health professional baccalaureate degree programs: Pharmacy and Physical Therapy. These two programs are presently in parts of three buildings and the project goal is to add additional space to the Pharmacy/Psychology building so that all Pharmacy and Physical Therapy instruction can be centrally located in one facility.

Approximately 1,000 students would benefit from the project. At the present time there are 312 pre-physical therapy students and 43 students in the professional physical therapy program. Also, there are 130 pre-pharmacy students and 167 students in the professional pharmacy program. In addition, the new facilities would be used by students and faculty teaching in many related areas, included but not limited to biology, pre-nursing, pre-medicine, medical technician, microbiology, and chemistry.

Both the pharmacy program and the physical therapy program are fully accredited by the American Council on Pharmaceutical Education and the American Physical Therapy Association respectively. The pharmacy program has experienced accreditation problems in the past but these were totally solved with the special legislative appropriation during the 1991 Montana Legislative Session.

The proposed building addition's classrooms would be configured so that they would be compatible with modern distance education technology. The U.S. health care system is rapidly changing and more emphasis is now being placed on primary care health professionals. This translates into the necessity to better serve rural health care professionals through continuing education in order that these practitioners better serve Montana citizens. Program faculty presently conduct continuing education programs at many off-campus sites around Montana to meet this need. They will continue to do so but the future for distance education is the use of enhanced technology such as compressed video which will vastly increase access while reducing the cost of delivery of these programs, both for participants and The University.

This project would add approximately 61,000 square feet to the present Pharmacy/Psychology Building and includes the remodeling of a portion of the existing Pharmacy/Psychology Building. Included in the 61,000 square foot addition would be: one 250 seat classroom and six other classrooms; several teaching laboratories; several conference rooms; several research laboratories; physical therapy clinic; drug information center; student computer laboratory; student work spaces; animal care area; student services area; general and administrative support areas.

PROJECT FUNDING - $ 2,500,000 Alsam Foundation Gift (in-hand)
2,000,000 State of Montana
5,900,000 Federal Government and Private
$ 10,400,000

In summary, health education programs have changed a great deal during the last several decades. This building addition would provide a contemporary learning environment necessary for health professional students to better serve our society.

MINUTES

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By **SENATOR GARY AKLESTAD, Chairman**, on Monday, March 27, 1995, at 3:40 p.m., Room 108.

ROLL CALL

Members Present:

Sen. Gary C. Aklestad, Chairman (R)
Sen. Thomas F. Keating, Vice Chairman (R)
Sen. Thomas A. "Tom" Beck (R)
Sen. James H. "Jim" Burnett (R)
Sen. Ethel M. Harding (R)
Sen. Arnie A. Mohl (R)
Sen. Charles "Chuck" Swysgood (R)
Sen. B.F. "Chris" Christiaens (D)
Sen. Eve Franklin (D)
Sen. Judy H. Jacobson (D)
Sen. Greg Jergeson (D)
Sen. John "J.D." Lynch (D)
Sen. Mignon Waterman (D)

Members Excused: Senators Jenkins, Toews, Tveit

Members Absent: None

Staff Present: Taryn Purdy, Office Legislative Fiscal Analyst
Lynn Staley, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 585
Executive Action: HB 6, HB 19, HB 15, HB 585

HEARING ON HOUSE BILL 585

Opening Statement by Sponsor:

REPRESENTATIVE ERNEST BERGSAGEL, House District 95, Malta, sponsor, said **Governor Racicot** requested approximately $9 million of bonding authority to build regional jails, one at Great Falls and another one or two in other locations. HB 585 leaves it open for construction of prison facilities up to $9 million.

EXECUTIVE ACTION ON HOUSE BILL 15

Motion/vote: **SENATOR KEATING MOVED AMENDMENT #hb001506.A11,** which would provide funding and authorization for replacement of an electrical distribution system at MSU-Billings. **EXHIBIT 4.**

SENATOR KEATING'S motion **EXHIBIT 4 FAILED** with **SENATORS KEATING, MOHL** and **SWYSGOOD** in favor of the motion.

Motion: **SENATOR CHRISTIAENS MOVED AN AMENDMENT TO HB 15,** which strikes the amount of $12,559,240, inserts $17,515,000 and restores the capitol restoration to the Governor's budget. **EXHIBIT 5**

Discussion: **SENATOR HARDING** said she believes it is the state's responsibility to do the maintenance on the capitol and the $12,559,240 is for the maintenance of the building. She added that private funds could be obtained for the restoration.

In answer to **SENATOR MOHL, SENATOR HARDING** said there is a fund in place for private donations for restorations, and they do have some money now for restoration.

SENATOR CHRISTIAENS commented that the way we seem to handle donations is deplorable. As we sit and listen to no pharmacy building at Missoula although funds have been donated, he questioned how long we expect people in this state to continue to donate money to the state and then the legislature refuses to do their part. He said the Pharmacy Building is a prime example of that. In the last session, the Davidsons from Great Falls donated over $1 million for a building on the campus at Missoula, and the legislature almost decided not to accept it because of the operations and maintenance. On the other hand, we are expecting people to donate $5.3 million for the restoration of this capitol building. This amendment **EXHIBIT 5** continues to have $1.1 million from donations. He urged support of the amendment.

Vote: **SENATOR CHRISTIAENS'** amendment motion **EXHIBIT 5 FAILED** on a roll call vote.

Motion: **SENATOR SWYSGOOD MOVED AMENDMENT hb001507.a11. EXHIBIT 6.**

Discussion: **SENATOR JERGESON** resisted the amendment and said one location is needed to get all the offices together for the benefit of employers, employees and the training programs.

SENATOR CHRISTIAENS opposed the amendment as did **SENATOR WATERMAN,** who asked if there would be money in HB 2 for the Havre Job Service to rent and remodel an existing facility if the money is stricken in HB 15.

SENATOR SWYSGOOD said when the budget was before the subcommittee, there were rent monies there, but he could recall nothing specific about the Havre facility.

In answer to **SENATOR WATERMAN'S** question of whether Havre is renting their facility now, **Gary Curtis, Department of Labor, Job Service,** said the Job Service owns the main building. It is the building that is the most crowded and does not have good access. They rent a second location that is about one mile distant, and people trying to get service have to go to both places.

SENATOR WATERMAN questioned if there was money in their budget to rent and remodel.

Mr. Curtis said there is money in the budget to continue renting the site they have. If a building is bought, a bond would have to be put out and they would have to make payments on the bond as best they could with the existing budget.

{Tape: 1; Side: B; Approx. Counter: ; Comments: .}

SENATOR SWYSGOOD said there had to be some alternative to buying a building, and that would be renting. He voiced concern with language that was added stating that if federal funds become unavailable, the Department of Labor is directed to reduce operating of personal services in order to service the debt. He maintained that they could rent a facility that would be sufficient to take care of their needs.

Vote: **SENATOR SWYSGOOD'S** amendment motion **EXHIBIT 6 CARRIED** on a roll call vote.

Motion/Vote: **SENATOR HARDING MOVED HOUSE BILL 15 AS AMENDED BE CONCURRED IN.** Motion **CARRIED** with **SENATOR JERGESON** opposed. **SENATOR HARDING** will carry HB 15.

ADJOURNMENT

Adjournment: 5:20 p.m.

SENATOR GARY AKLESTAD, Chairman

LYNN STALEY, Secretary

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MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE

p.m. meeting

ROLL CALL

DATE 3/27/95

NAME	PRESENT	ABSENT	EXCUSED
SWYSGOOD, CHUCK	✓		
BURNETT, JIM	✓		
MOHL, ARNIE	✓		
JERGESON, GREG	✓		
FRANKLIN, EVE	✓		
TVEIT, LARRY			✓
JENKINS, LOREN			✓
JACOBSON, JUDY	✓		
LYNCH, J.D.	✓		
HARDING, ETHEL	✓		
TOEWS, DARYL			✓
CHRISTIAENS, B.F. "CHRIS"	✓		
WATERMAN, MIGNON	✓		
KEATING, TOM - VICE CHAIRMAN	✓		
BECK, TOM	✓		
AKLESTAD, GARY - CHAIRMAN	✓		

SEN:1995
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SENATE STANDING COMMITTEE REPORT

March 28, 1995

MR. PRESIDENT:
We, your committee on Finance and Claims having had under consideration HB 15 (third reading copy -- blue), respectfully report that HB 15 be amended as follows and as so amended be concurred in.

Signed: _____
Senator Gary Aklestad, Chair

That such amendments read:

1. Page 2, lines 18 and 19.
Strike: Lines 18 and 19 in their entirety.

2. Page 2, line 21.
Strike: "(1)"

3. Page 2, line 28 through Page 3, line 4.
Strike: subsection (2) in its entirety

-END-

Amd. Coord.
Sec. of Senate

Senator Carrying Bill

711118SC.SPV

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/27/95 BILL NO. HB 15 NUMBER

MOTION: Senator Christiaens' amendment (Exhibit 5). Failed

NAME	AYE	NO
SWYSGOOD, CHUCK		✓
BURNETT, JIM		✓
MOHL, ARNIE		✓
JERGESON, GREG	✓	
FRANKLIN, EVE	✓	
TVEIT, LARRY		✓
JENKINS, LOREN		
JACOBSON, JUDY	✓	
LYNCH, J.D.		✓
HARDING, ETHEL		✓
TOEWS, DARYL		
CHRISTIAENS, B.F. "CHRIS"	✓	
WATERMAN, MIGNON	✓	
KEATING, TOM - VICE CHAIRMAN		✓
BECK, TOM		✓
AKLESTAD, GARY - CHAIRMAN		✓

SEN:~~1995~~

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/27/95 BILL NO. HB 15 NUMBER _____

MOTION: Senator Swysgood amendment (Exhibit 6)

Carried

NAME	AYE	NO
SWYSGOOD, CHUCK	✓	
BURNETT, JIM	✓	
MOHL, ARNIE	✓	
JERGESON, GREG		✓
FRANKLIN, EVE		✓
TVEIT, LARRY		✓
JENKINS, LOREN	✓	
JACOBSON, JUDY		✓
LYNCH, J.D.		✓
HARDING, ETHEL	✓	
TOEWS, DARYL	✓	
CHRISTIAENS, B.F. "CHRIS"		✓
WATERMAN, MIGNON		✓
KEATING, TOM - VICE CHAIRMAN	✓	
BECK, TOM	✓	
AKLESTAD, GARY - CHAIRMAN	✓	

SEN:1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 4
DATE 3/27/95
BILL NO. HB 15

Amendments to House Bill No. 15
Third Reading Copy

Failed

Requested by Senator Keating
For the Committee on Senate Finance and Claims

Prepared by Nan LeFebvre
March 27, 1995

1. Page 2, following line 17.
Insert: "Replacement of Primary Electrical Distribution System
MSU-Billings

LRBP	Auxiliary
$1,487,500	$262,500"

The purpose of this amendment is to provide funding and authorization for the replacement of an electrical distribution system that is currently in violation of national electrical codes. As it exists, the system poses an imminent safety hazard to MSU employees. The current distribution system is unreliable and on the verge of complete failure, which would result in loss of electrical power and heating for the entire campus. This project represents the next maintenance project on the Board of Regents' priority list.

{Office of Legislative Fiscal Analyst 444-2986}

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 5
DATE 3/27/95
BILL NO. HB 15

Amendment to House Bill No. 15
Third Reading Copy

Failed

Requested by Senator Christiaens
For the Senate Finance and Claims Committee

Prepared by the Department of Administration
March 27, 1995

1. Page 1, line 29
Strike: "$12,559,240"
Insert: "$17,515,000"

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 6
DATE 3/27/95
BILL NO. HB15

Amendments to House Bill No. 15
Third Reading Copy

Requested by Senator Swysgood
For the Committee on Senate Finance and Claims

Carried

Prepared by Nan LeFebvre
March 28, 1995

1. Page 2, lines 18 and 19.
Strike: Lines 18 and 19 in their entirety.

2. Page 2, line 21.
Strike: "(1)"

3. Page 2, line 28 through Page 3, line 4.
Strike: subsection (2) in its entirety

{Office of Legislative Fiscal Analyst 444-2986}

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION

FREE CONFERENCE COMMITTEE ON HB 15

Call to Order: By **SENATOR ETHEL HARDING**, on April 12, 1995, at 8:00 a.m.

ROLL CALL

Members Present:

Sen. Ethel M. Harding, Chairman (R)
Rep. Ernest Bergsagel (R)
Sen. Tom Beck (R)
Sen. B. F. "Chris" Christiaens (D)
Rep. Matt McCann (D)
Rep. Betty Lou Kasten (R)

Members Excused: None

Members Absent: None

Staff Present: Nan LeFebvre, Office of the Legislative Fiscal Analyst
Jane Hamman, Office of Budget & Program Planning
Tracy Bartosik, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

CHAIRMAN ETHEL HARDING explained that the House rejected the amendments to HB 15 **(EXHIBIT 1)** from the Senate regarding the Job Service in Havre and the Psychology/Pharmacy Building.

Motion: **REP. ERNEST BERGSAGEL** moved to approve an amendment removing the authorization and bonding authority for the Job Service Office in Havre, Montana. **EXHIBIT 2**

Discussion: **REP. BERGSAGEL** said there is an opportunity for the Job Service to rent facilities in that community.

SEN. CHRIS CHRISTIAENS said he believed the building that the Job Service is currently operating from is owned, and asked what would become of the current building should they find lease space. **REP. BERGSAGEL** stated that the building is federal property, so it would become federal surplus property.

REP. MATT McCANN asked if the state pays the maintenance on that building. **REP. BERGSAGEL** answered that the federal government does.

REP. McCANN stated he did not support this motion.

Vote: **Motion failed with REP. BETTY LOU KASTEN and REP. BERGSAGEL voting yes.**

Motion: **REP. McCANN** moved to approve an amendment removing the Pharmacy/Psychology Building Addition at the University of Montana - Missoula, and the corresponding appropriation and bonding authority for $2,000,000 from HB 15. **EXHIBIT 3**

Discussion: **SEN. TOM BECK** said he didn't understand why, when $8 million of the $10 million project would be funded with private funds, the state of Montana shouldn't take advantage of that ability to leverage funds. **REP. BERGSAGEL** replied that when the project was first proposed by the Governor it was a $4 million project, and when it went before the Long-Range Planning Subcommittee it was a $10 million project. Architecture and Engineering has not had a chance to review and approve it as a $10 million project. **REP. BERGSAGEL** said postponement would also give the University the chance to raise more private funds.

SEN. CHRISTIAENS said he doesn't support the amendment because he feels the state needs to make more of a commitment to education. He also said the state's financial situation is good right now and can afford the $2 million in bonding.

Vote: **Motion failed with SEN. BECK and SEN. CHRISTIAENS voting no.**

Motion: **SEN. CHRISTIAENS** moved to approve an amendment providing the entire amount of spending authority originally proposed for the Capitol Restoration Project, including bonding authority to fund historical restoration. **EXHIBIT 4**

Discussion: **REP. BERGSAGEL** said he is not in support of these monies going to historical restoration because he feels the Capitol Building is in good shape compared to other buildings around the state.

SEN. CHRISTIAENS said the staff responsible for the Capitol Building are not fundraisers and it is difficult for them to raise money to do this sort of needed work.

Vote: **Motion failed with SEN. CHRISTIAENS voting yes.**

Motion: **SEN. CHRISTIAENS** moved to approve an amendment to HB 15 which would increase bonding authority for the Capitol Restoration Project. This additional funding would be used to purchase artifacts that have been removed from the Capitol. **EXHIBIT 5**

Discussion: **REP. KASTEN** asked if this amendment would increase the bonding authority in HB 15. **Nan LeFebvre, Office of the Legislative Fiscal Analyst (LFA),** said yes, it would increase it by $1 million.

{Tape: 1; Side: B;}

REP. KASTEN said she feels this is an inappropriate way for the legislature to go about obtaining these artifacts.

Debra Fulton, Department of Administration, said there is approximately $250,000 worth of artifacts in Nevada City relating to the Capitol Building. This amendment would pay for some of the installation of those items as well as their purchase. **SEN. CHRISTIAENS** commented that it would be a shame if those items were lost.

Vote: **Motion failed with SEN. CHRISTIAENS voting yes.**

Motion: **SEN. CHRISTIAENS** moved to approve an amendment to HB 15 allowing for the purchase of Nevada City and funding for the Lewis and Clark Interpretive Center, totalling $4 million.

Discussion: **SEN. CHRISTIAENS** said this amendment would be funded through general obligation bonds, and repaid from the accommodations tax proceeds. He also said one of the main reasons for this amendment is that the items in Nevada City are about to go on the auction block, meaning they could be removed from the state. He said the amendment covers the repayment plan, the insurance, and also the state's obligations.

In response to a question from **REP. KASTEN, Jane Hamman, Office of Budget and Program Planning (OBPP),** said the 4% from the accommodations tax would pay off both the interest and the principal over a 20-year period of time.

{Tape: 2; Side: A;}

SEN. BECK indicated he is in support of this amendment, but wants to be sure it includes the Lewis and Clark Interpretive Center.

SEN. CHRISTIAENS said he was not opposed to working on this amendment and making necessary changes that would help ensure that it passes.

In answer to a question raised by **REP. BERGSAGEL, SEN. CHRISTIAENS** said that of the $4 million in bonding, $1 million would go to the Lewis and Clark Interpretive Center as a grant. He also said the $4 million would be paid back from the accommodations tax monies and a non-profit organization would operate Nevada City. That organization would pay operations and maintenance costs.

Vote: **Motion failed with REP. BERGSAGEL and REP. KASTEN voting no.**

Motion/Vote: **REP. BERGSAGEL** moved to close the free conference committee on HB 15. **Motion failed on a tie.**

(Committee took an extended break.)

REP. BERGSAGEL stated the House of Representatives has decided to accept HB 15 as originally amended by the Senate.

ADJOURNMENT

Adjournment: 1:15 p.m.

Ethel M. Harding

SEN. ETHEL HARDING, Chairman

TRACY BARTOSIK, Secretary

EH/tb

FREE CONFERENCE COMMITTEE

on House Bill 15
Report No. 1, April 12, 1995

Mr. Speaker and Mr. President:

We, your Free Conference Committee met and considered **House Bill 15** and recommend as follows:

1. We recommend that the Free Conference Committee Report to House Bill 15 be adopted.

And this FREE Conference Committee report be adopted.

For the House:
Bergsagel
Chair
McCann
Kasten

For the Senate:
Harding
Chair
Christiaens
Beck

ADOPT

REJECT

EXHIBIT 1
DATE 4-12-95
SB 15
HB

HOUSE BILL NO. 15

INTRODUCED BY BERGSAGEL

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 1997; PROVIDING FOR MATTERS RELATING TO THE APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Definitions.** For the purposes of [sections 1 through ~~6~~ 7], unless otherwise stated, the following definitions apply:

(1) "Capital project" means the acquisition of land or improvements or the planning, capital construction, renovation, furnishing, or major repair projects authorized in [sections 1 through ~~6~~ 7].

(2) "CPF" means the capital projects fund.

(3) "Other funding sources" means money other than CPF money, including special revenue fund money, that accrues to an agency under the provisions of the law.

NEW SECTION. **Section 2. Appropriation of bond proceeds and other funds.** The following money is appropriated from the CPF and other funding sources to the department of administration for the capital projects described in this section, contingent upon the respective authorization of general obligation long-range building program bonds by the 54th legislature and the sale of the bonds by the board of examiners:

Agency/Project	CPF	Other Appropriated Funds
DEPARTMENT OF ADMINISTRATION		
Capitol Restoration,		
Capitol Complex	~~$17,911,000~~	
	$12,559,240	
DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES		

Montana State Prison Expansion		4,300,000
~~Regional Correctional Facilities~~		~~9,000,000~~
~~Montana State Hospital,~~		
~~Redesign/Construction~~		~~18,000,000~~
~~DEPARTMENT OF JUSTICE~~		
~~Law Enforcement Complex,~~		
~~Helena~~		~~7,000,000~~
MONTANA UNIVERSITY SYSTEM		
Central Heating Plant,		
Phase II, MSU - Bozeman	~~3,000,000~~	
	3,120,000	
Chemistry Building Renovation		
UM - Montana Tech		4,536,000
Underground Utilities Expansion		
MSU - Bozeman		6,000,000
~~Pharmacy Addition/Renovation,~~		
~~UM - Missoula~~		~~2,000,000~~
PHARMACY/PSYCHOLOGY BUILDING ADDITION		
UM - MISSOULA		2,000,000
DEPARTMENT OF LABOR AND INDUSTRY		
JOB SERVICE OFFICE, HAVRE		350,000

NEW SECTION. **Section 3. Authorization of bonds.** (1) The board of examiners is authorized to issue and sell general obligation long-range building program bonds in an amount not exceeding ~~$71,747,000~~ ~~$30,515,240~~ $32,865,240 for the projects described in [section 2] over and above the amount of general obligation long-range building program bonds outstanding on January 1, 1995, to be issued in accordance with the terms and in the manner required by Title 17, chapter 5, part 8. The authority granted to the board by this section is in addition to any other authorization to the board to issue and sell general obligation long-range building program bonds.

(2) IT IS THE INTENT OF THE 54TH LEGISLATURE THAT DEBT SERVICE PAYMENTS FOR THE

HAVRE JOB SERVICE OFFICE BE PAID WITH FEDERAL FUNDS. IF FEDERAL FUNDS BECOME UNAVAILABLE, HOWEVER, THE DEPARTMENT OF LABOR AND INDUSTRY IS DIRECTED TO REDUCE OPERATING OR PERSONAL SERVICES COSTS IN ORDER TO SERVICE THE DEBT. THE DEBT SERVICE PAYMENTS FOR THE JOB SERVICE OFFICE ARE NOT TO BE PAID WITH GENERAL FUND MONEY. THE DEPARTMENT IS ALSO ENCOURAGED TO PURSUE THE PURCHASE OF AN EXISTING BUILDING IN HAVRE AS AN ALTERNATIVE TO NEW CONSTRUCTION.

NEW SECTION. **SECTION 4. AGREEMENT WITH DEPARTMENT OF LABOR AND INDUSTRY.** FOR THE PROCEEDS OF THE BONDS AND NOTES AUTHORIZED AND APPROPRIATED BY [SECTIONS 2 AND 3] FOR THE EXPANSION AND RENOVATION OF THE JOB SERVICE OFFICE, HAVRE, THE BOARD OF EXAMINERS AND THE DEPARTMENT OF LABOR AND INDUSTRY MAY ENTER INTO AN AGREEMENT UNDER WHICH THE DEPARTMENT SHALL PAY THE STATE TREASURER, FOR DEPOSIT IN ACCORDANCE WITH 17-2-101 THROUGH 17-2-107, AN AMOUNT, AS DETERMINED BY THE STATE TREASURER, THAT IS SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST DUE ON THE BONDS AND NOTES FROM WHICH THE APPROPRIATION WAS MADE AND THAT IS SUFFICIENT TO ACCOMMODATE AND MAINTAIN RESERVES REQUIRED UNDER THE BONDS AND NOTES. THE AGREEMENT MUST FURTHER PROVIDE THAT INCOME FROM THE INVESTMENT OF BOND PROCEEDS, UNUSED PRINCIPAL, AND THE RESERVES NOT REQUIRED FOR CONSTRUCTION AND RENOVATION COSTS MAY BE CREDITED AGAINST THE DEPARTMENT'S PAYMENT OBLIGATION. THE AGREEMENT MUST ALSO ALLOW FOR THE ACCUMULATION OF RESERVES DURING THE FIRST YEAR THAT THE BONDS ARE OUTSTANDING. PAYMENT BY THE DEPARTMENT MUST BE MADE FROM FUNDS AVAILABLE THEREFOR.

NEW SECTION. **Section 5. Planning and design.** The department of administration may proceed with the planning and design of capital projects prior to the receipt of other funding sources. The department may use interaccount loans in accordance with 17-2-107 to pay planning and design costs incurred prior to the receipt of other funding sources.

NEW SECTION. Section 6. **Capital projects -- contingent funds.** If a capital project is financed in whole or in part with appropriations contingent upon the receipt of other funding sources, the department of administration may not let the projects for bid until the agency has submitted a financial plan for approval

by the director of the department of administration. A financial plan may not be approved by the director if:

(1) the level of funding provided under the financial plan deviates substantially from the funding level provided in [section 2] for that project; or

(2) the scope of the project is substantially altered or revised from the preliminary plans presented for that project in the 1996-97 long-range building program presented to the 54th legislature.

NEW SECTION. **Section 7. Legislative consent.** The appropriations authorized in [section 2] constitute legislative consent for the capital projects contained in [section 2] within the meaning of 18-2-102.

NEW SECTION. **SECTION 8. COORDINATION INSTRUCTION.** IF [THIS ACT] AND HOUSE BILL NO. 5 ARE BOTH PASSED AND APPROVED AND IF BOTH CONTAIN AUTHORIZATION FOR THE PHARMACY/PSYCHOLOGY BUILDING ADDITION PROJECT AT THE UNIVERSITY OF MONTANA-MISSOULA, THEN THE AMOUNT OF AUTHORIZATION FOR FEDERAL AND PRIVATE FUNDING FOR THAT PROJECT IN HOUSE BILL NO. 5 IS REDUCED BY $2 MILLION.

NEW SECTION. **Section 9. Requirements for approval of state debt.** Because [section 3] authorizes the creation of a state debt, a vote of two-thirds of the members of each house is required for enactment of [section 3]. If [section 3] is not approved by the required vote, [this act] is void.

NEW SECTION. **Section 10. Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. **Section 11. Effective date.** [This act] is effective on passage and approval.

-END-

EXHIBIT 2
DATE 4/12/95
HB 15

Amendments to House Bill No. 15
Reference Copy As Amended

Requested by Rep. Bergsagel
For the Free Conference Committee

Prepared by Nan LeFebvre
April 10, 1995

1. Page 1, lines 12 and 15.
Strike: "7"
Insert: "6"

2. Page 2, lines 20 and 21.
Strike: Lines 20 and 21 in their entirety.

3. Page 2, line 23.
Strike: "(1)"

4. Page 2, line 30 through Page 3, line 6.
Strike: Subsection (2) in its entirety.

5. Page 3, lines 8 through 21.
Strike: Section 4 in its entirety

Renumber: subsequent sections.

The total amount of the bill will be adjusted by the Office of the Legislative Fiscal Analyst.

The purpose of this amendment is to remove the authorization and bonding authority for the Job Service Office in Havre, due to the uncertainty of the availability of federal funds for payment of the debt service.

EXHIBIT 3
DATE 4-12-95
HB 15

Amendments to House Bill No. 15
Reference Copy As Amended

Requested by Rep. Bergsagel
For the Free Conference Committee

Prepared by Nan LeFebvre
April 8, 1995

1. Page 2, lines 18 and 19.
Strike: Lines 18 and 19 in their entirety.

2. Page 4, lines 12 through 16.
Strike: Section 8 in its entirety.

Renumber: subsequent sections.

The total amount of the bill will be adjusted by the Office of the Legislative Fiscal Analyst.

This amendment removes from House Bill No. 15 the Pharmacy/Psychology Building Addition at the University of Montana - Missoula, and the corresponding appropriation and bonding authority for $2,000,000. The authorization for this project and the use of $10,400,000 in federal and private funding provided for in House Bill No. 5 are not impacted by this amendment.

EXHIBIT 4
DATE 4-12-95
Conference Committee on HB 15

Amendments to House Bill No. 15
Reference Copy As Amended

Requested by Senator Christiaens
For the Free Conference Committee

Prepared by Nan LeFebvre
April 11, 1995

1. Page 1, line 29.
Strike: "$12,559,240"
Insert: "$17,239,600"

2. Page 4, following line 12.
Insert: "NEW SECTION. **Section 8. Coordination Instruction.** If [this act] and House Bill No. 5 are both passed and approved, the amount of authority for donations in House Bill No. 5 is to be reduced so that the entire spending authorization for the capitol restoration project as provided for in [this act] and House Bill No. 5 is not to exceed $20 million. House Bill No. 5 is amended to read:

Page 2, line 2.
Strike: "5,385,640"
Insert: "1,100,000"

Page 5, line 29.
Strike: "$5,385,640"
Insert: "$1,100,000""

This amendment increases the bonding authority for the Capitol Restoration Project to the Governor's original recommendation, and would provide the funding necessary for historical and infrastructure projects. With this increase in bonding authority, together with other federal special revenue (CTEP), proprietary funds, capitol land grant revenue, and long-range building program account funding, an additional $1.1 million would need to be raised from individuals and private sources. House Bill 5 would need to be amended (see coordinating instruction) in order to limit the total spending authority for the project to $20 million.

EXHIBIT 4
4-12-95
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If this amendment passes, funding for the Capitol Restoration Project would be as follows:

HB 5	$ 275,400	LRBP (HB 5 Conf. Committee)
	696,000	Federal Special Revenue (CTEP)
	1,100,000	Donations
	439,000	Proprietary (ISD and GSD)
	250,000	Capitol Land Grant Revenue
	$ 2,760,400	SUBTOTAL
HB 15	$17,239,600	
	$20,000,000	TOTAL

{Office of Legislative Fiscal Analyst 444-2986}

EXHIBIT 5
DATE 4/12/95
SB HB 15

Amendments to House Bill No. 15
Reference Copy As Amended

Requested by Senator Christiaens
For the Free Conference Committee

Prepared by Nan LeFebvre
April 11, 1995

1. Page 1, line 29.
Strike: "$12,559,240"
Insert: "$13,559,240"

2. Page 4, following line 12.
Insert: "NEW SECTION. **Section 8. Coordination instruction.**" If [this act] and House Bill No. 5 are both passed and approved, the amount of authority for donations in House Bill No. 5 is to be reduced by $1 million. House Bill No. 5 is amended to read:

Page 2, line 2.
Strike: "5,385,640"
Insert: "4,385,640"

Page 5, line 29.
Strike: "$5,385,640"
Insert: "$4,385,640"

This amendment increases the bonding authority for the Capitol Restoration Project by $1 million to provide funding for the recovery of historic Capitol items in Nevada City. The spending authority for private donations in House Bill No. 5 is correspondingly reduced by $1 million.

If this amendment passes, funding for the Capitol Restoration Project would be as follows:

HB 5	$ 275,400	LRBP (HB 5 Conf. Committee)
	696,000	Federal Special Revenue (CTEP)
	4,385,640	Donations
	439,000	Proprietary (ISD and GSD)
	250,000	Capitol Land Grant Revenue
	$ 6,046,040	SUBTOTAL
HB 15	$13,559,240	
	$19,605,280	TOTAL

EXHIBIT 10
DATE 4-12-95
Conference Comm on HB 15

Amendments to House Bill No. 15
Reference Reading Copy

Requested by Senator Christiaens
For the Free Conference Committee

Prepared by Greg Petesch
April 12, 1995

1. Title, line 8.
Following: ";"
Insert: "PROVIDING FOR USE OF ACCOMMODATION TAX REVENUE FOR DEBT SERVICE; AMENDING SECTION 15-65-121, MCA;"

2. Page 1.
Following: line 29
Insert: "Nevada City - Lewis and Clark Center 4,000,000" (CPF)

3. Page 2, line 25.
Strike: "$32,865,240"
Insert: "$36,865,240"

4. Page 3, line 7.
Insert: "(3) The department of administration shall use the bond proceeds allocated to it for acquisition of Nevada City for an amount not to exceed the appraised value or $3 million, whichever is lower, and for a $1 million grant to the Great Falls convention and visitors bureau for the Lewis and Clark national historic trail interpretive center."

5. Page 4, line 11.
Insert: "NEW SECTION. Section 8. Acquisition of Nevada City -- use of property and artifacts -- sale. (1) The department of administration is authorized to take title of Nevada City and shall, subject to subsection (2), oversee the administration of the property, including all of the buildings, facilities, and artifacts. The department shall use any property or artifacts purchased as part of the capitol restoration project authorized in [section 2].

(2) After using the property and artifacts provided for in subsection (1), the department shall offer Nevada City for sale based on an appraisal of the property. Proceeds of the sale must be used to retire bonds issued for the purchase.

(3) Pending sale, the department shall authorize the Montana historical society to enter into a contract with a local nonprofit corporation agreeing to assume full responsibility for the management, maintenance, and operational costs of Nevada City and associated personal property and agreeing that major changes or modifications to the property will be done only upon approval by the department.

Section 9. Section 15-65-121, MCA, is amended to read:
"15-65-121. Distribution of tax proceeds -- general fund

loan authority. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501(6), be deposited in an account in the state special revenue fund to the credit of the department of revenue. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 15-1-501(6) and as provided in subsections (1)(a) through (1)(d) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the general fund. The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation or deposited in the general fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:

(a) 1% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

(b) 2.5% to the university system for the establishment and maintenance of a Montana travel research program;

(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use, subject to 23-1-131; ~~and~~

(d) an amount equal to the service on $4 million of general obligations bonds to be transferred to the capital projects fund;

~~(d)~~(e) the balance of the proceeds as follows:

(i) 75% to be used directly by the department of commerce;

(ii) except as provided in subsection ~~(1)(d)(iii)~~ (1)(e)(iii), 25% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

(iii) if 25% of the proceeds collected annually within the limits of a city or consolidated city-county exceeds $35,000, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city or consolidated city-county is located is to be distributed to the nonprofit convention and visitors bureau in that city or consolidated city-county.

(2) If a city or consolidated city-county qualifies under this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city or consolidated city-county is located.

(3) If a regional nonprofit tourism corporation fails to

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submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.

(4) The department of commerce may use general fund loans for efficient implementation of this section.""
Renumber: subsequent sections

6. Page 4, line 12.
Strike: "INSTRUCTION"
Insert: "instructions"
Following: "."
Insert: "(1)"

7. Page 4, line 17.
Insert: "(2) If the purchase of Nevada City and the grant to the Lewis and Clark national historic trail interpretive center are both not approved, then neither project may be funded in [this act]."